

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In Re:

**Charles S. Harris, Jr.**  
**Aka Crist Swann**

Chapter 13  
Case Number 18-22620-rdd

Debtor.

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**DEBTOR'S OPPOSITION TO OBJECTION TO CONFIRMATION OF AMENDED  
PLAN**

Charles S. Harris, Jr. aka Crist Swann ("Debtor"), by his attorney, Natasha Meruelo, hereby submits his opposition to the Objection to Confirmation ("Objection") filed by Fay Servicing LLC, as servicer for Goshen Mortgage LLC, as Separate Trustee for GDBT I Trust 2011-1 ("Goshen") and in support thereof states as follows:

1. The Debtor filed a petition for relief under Chapter 13 of Bankruptcy Code on April 27, 2018 ("Bankruptcy Case").
2. The Debtor is the owner of a multi family property known as 39 Primrose Avenue Mount Vernon, NY 10552 ("Investment Property").
3. The Debtor filed an Amended Chapter 13 Plan on September 13, 2018 in which he proposed to "cram down" Goshen's secured claim to the value of the Investment Property, which is \$150,000.00 or less as explained herein.
  - a. The Debtor attached an Appraisal valuing the Investment Property at \$300,000.00 as well as an Engineer's Report itemizing at least \$191,250.00 of major repairs needed to be completed with respect the Investment Property.

- b. The Debtor also disclosed in his amended petition and schedules filed September 13, 2018, that there are additional major issues with the Investment Property that were not addressed by the Engineer's Report or Appraisal. Specifically, the Investment Property requires a lead based paint remediation to be completed, a oil tank remediation per the Mt Vernon Fire Department, and sewer line repair and foundation repair, all of which are estimated to cost a minimum \$150,000 in addition to repairs identified in Engineer's Report and the appraisal.
  - c. The Debtor has had additional experts come to the Investment Property to price out these repairs and is awaiting invoices and/or estimates.
- 4. Upon review of Goshen's Objection and the appraisal Goshen obtained, it appears that Goshen has failed to alert this Court as to material information regarding the appraisal it has presented to this Court in support of its position.
- 5. Specifically, Goshen did not obtain an appraisal of the Investment Property based on its present condition. Instead, as set forth in the report, Goshen chose to order an appraisal of the **hypothetical value** of the Investment Property, assuming it were in good condition, and as such, the appraisal relies on comparable sales that are wholly inappropriate given the actual present condition and state of the Investment Property. All of the values used in Goshen's appraisal were of multi family properties that were in good condition, not needing the major repairs that the Debtor's investment property currently needs. Furthermore, the comparable relied upon can actually generate rental income, which the Investment Property cannot until the lead paint remediation is completed.

6. Goshen's appraiser specifically made comments on improvements at page 1 of 5 (See attached) of the Appraisal report as follows:

"The subject was found to be in poor overall condition with major deferred maintenance observed. The current owner has reconfigured the layout of the subject property and it is deemed highly personalized. Although the subject has three kitchens, it does not currently function as a three family. At the time of the inspection, the subject's utilities were on and working. As per the clients request, this report is made "subject to" original three family use, function and layout; interior and exterior in good overall condition, effective age of approximately 20 years, fully functioning mechanicals / systems and no environmental health or safety issues."

Goshen's appraiser also notes in his report that he cannot provide certain information as to how much it would cost to make certain repairs.

7. In addition, as stated on page 3 of 5 of the Appraisal Report (attached), the appraisal was made:

"Subject to the following repairs or alterations on the basis of a **hypothetical** condition that the repairs or alterations have been completed. As per client's request, this report is made subject to original three family use, function and layout; interior and exterior in good overall condition, effective age of approximately 20 years, fully functioning mechanicals/systems and no environmental health or safety issues." *emphasis added*.

8. The Investment Property is not functioning as a three family and would need significant repairs and alterations to the floorpan and layout to be able to be used as such.

Furthermore, the interior and exterior are not in good condition, as acknowledged by

Goshen's appraiser and also the appraisal and engineers report submitted by the Debtor.

Finally the Investment Property has major environmental, health and safety issues.

9. Thus, it is respectfully submitted that Goshen's appraisal which forms the basis for its Objection is wholly unreliable and Goshen's Objection should be denied.

10. With respect to Goshen's assertion that the Debtor's Amended Chapter 13 Plan fails to account for taxes and property insurance, it is the Debtor's intention to pay these expenses himself as they become due going forward.
11. The Debtor avers that his Amended Chapter 13 Plan as proposed comports with the requirements of Title 11, is confirmable, feasible and provides that Goshen retain its lien in the amount of the secured portion of its claim, subject to the limitations set forth in Section 3.5 of the Amended Chapter 13 Plan.
12. The Debtor has made all of his amended plan payments of \$4,000.00 with no issue.

WHEREFORE, the Debtor respectfully requests that Court (1) deny Goshen's Objection in its entirety for the reasons set forth herein, (2) permit the Debtor to proceed with his Amended Chapter 13 Plan of reorganization, and (3) for any other relief this Court deems just and proper.

Dated: White Plains, New York  
November 7, 2018



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Natasha Meruelo, Esq.  
Attorney for the Debtor  
99 Church Street, 4th Floor  
White Plains, NY 10601  
TEL (914) 517-7565

## **APPRAISAL OF**



Multi-Family Residence

### **LOCATED AT:**

39 Primrose Avenue  
Mount Vernon, NY 10552

### **CLIENT:**

Spurs Capital  
237 W. 35th Street, Suite 1102  
New York, NY, 10001

### **AS OF:**

October 4, 2018

### **BY:**

Michael Lang  
45000045694

10/04/2018

Daniel George  
Spurs Capital  
237 W. 35th Street, Suite 1102  
New York, NY, 10001

File Number: 39 Primrose Avenue

In accordance with your request, I have appraised the real property at:

39 Primrose Avenue  
Mount Vernon, NY 10552

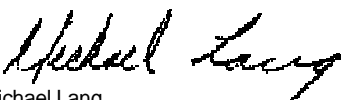
The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as improved.  
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the defined value of the property as of October 4, 2018 is:

\$650,000  
Six Hundred Fifty Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,  
final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.

Respectfully Submitted,

  
Michael Lang  
45000045694

Mueller, Lang & Associates, LLC.

Mueller, Lang & Associates, LLC.

Small Residential Income Property Appraisal Report

Harris

File No. 39 Primrose Avenue

PURPOSE

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

Client Name/Intended User

Spurs Capital

E-mail

dgeorge@spurscapital.com

Client Address

237 W. 35th Street, Suite 1102

City

New York

State

NY

Zip

10001

Additional Intended User(s)

None Noted

Intended Use

The use of this report is for private valuation purposes only. This report is made as of 10/04/2018, the date of inspection. This report is not intended for any other use.

SUBJECT

Property Address

39 Primrose Avenue

City

Mount Vernon

State

NY

Zip

10552

Owner of Public Record

Charles Harris

County

Westchester

Legal Description

Section: 165.38; Block: 1044; Lot: 9

Assessor's Parcel #

0800-165-038-01044-000-0009

Tax Year

2017

R.E. Taxes \$

15,827

Neighborhood Name

Primrose Park

Map Reference

Hagstrom; 9, E-26

Census Tract

0039.00

Property Rights Appraised

☒ Fee Simple

☐ Leasehold

☐ Other (describe)

SALES HISTORY

My research

☐ did

☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Prior Sale/Transfer:

Date

None Noted

Price

Within 36 Months

Source(s)

HGMLS/Realist.com/Assessor

Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable)

No prior sale or transfer of the subject property within the past 36 months, nor any of the comparables within the past 12 months except if noted via available data sources.

Offerings, options and contracts as of the effective date of the appraisal

None Known As Of Effective Date

NEIGHBORHOOD

Neighborhood Characteristics			2-4 Unit Housing Trends			2-4 Unit Housing		Present Land Use %					
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	75% %		
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	10% %		
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	348	Low	0	Multi-Family	5% %	
Neighborhood Boundaries								The subject neighborhood is bounded by the Cross County Parkway to the North;	675	High	150	Commercial	5% %
Route 22 to the East; E. Lincoln Avenue to the South and Gramatan Avenue to the West.								455	Pred.	100	Other	5% %	
Neighborhood Description													
The appeal of the subject marketing area is deemed average and is within close proximity to schools, shopping areas and other city amenities. Employment stability is deemed average and large employment centers are within commuting distance. Small businesses primarily make up the commercial land use and is not deemed adverse to marketability.													
Market Conditions (including support for the above conclusions)													
See Addendum.													

SITE

Dimensions (Subject to Survey)

Area

7328 Sq.Ft.

Shape

Irregular

View

Average

Specific Zoning Classification

R-3

Zoning Description

Multi-Family Residence

Zoning Compliance

☒ Legal

☐ Legal Nonconforming (Grandfathered Use)

☐ No Zoning

☐ Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use?

☒ Yes

☐ No

If No, describe.

See Addendum.

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private		
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Street	Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Alley	None	<input type="checkbox"/>	<input type="checkbox"/>

Site Comments

Appraiser has not checked land records for recorded easements, encroachments, environmental conditions, land uses, etc. and has only recorded what seems to be apparent. The subject property was built prior to 1978. Residential structures built prior to 1978 may contain lead-based paint. Appraiser is not responsible for testing to determine if the paint surfaces in the subject property are indeed lead-based. The subject was at one time heated by Oil. As per the owner, the tank is in-ground. No visible evidence of seepage or contamination noted. Your appraiser is not an expert in environmental conditions and recommends an expert in this field be consulted.

IMPROVEMENTS

GENERAL DESCRIPTION				FOUNDATION		EXTERIOR DESCRIPTION		materials	INTERIOR		materials		
Units	<input type="checkbox"/> Two	<input checked="" type="checkbox"/> Three	<input type="checkbox"/> Four	<input type="checkbox"/> Concrete Slab	<input type="checkbox"/> Crawl Space	Foundation Walls	Stone		Floors	HW,Cer			
<input type="checkbox"/> Accessory Unit (describe below)				<input checked="" type="checkbox"/> Full Basement	<input type="checkbox"/> Partial Basement	Exterior Walls	Clapbrd,Wd Shg		Walls	Drywall,Metal			
# of Stories	2.5	# of bldgs.	1	Basement Area	1,325	sq. ft.	Roof Surface	Asphlt Shg,Slate	Trim/Finish	HW,Paint,Metal			
Type	<input checked="" type="checkbox"/> Det.	<input type="checkbox"/> Alt.	<input type="checkbox"/> S-Det./End Unit	Basement Finish	0	%	Gutters & Downspouts	Aluminum	Bath Floor	Cer,MrbI			
<input checked="" type="checkbox"/> Existing	<input type="checkbox"/> Proposed	<input type="checkbox"/> Under Const.		<input type="checkbox"/> Outside Entry/Exit	<input type="checkbox"/> Sump Pump		Window Type	Casement	Bath Wainscot	Cer,MrbI			
Design (Style) Victorian				Evidence of		<input type="checkbox"/> Infestation	Storm Sash/Insulated	No / Yes	Car Storage				
Year Built 1896				<input type="checkbox"/> Dampness		<input type="checkbox"/> Settlement	Screens	Yes	<input type="checkbox"/> None				
Effective Age (Yrs) 20				Heating/Cooling			Amenities			<input checked="" type="checkbox"/> Driveway	# of Cars 2		
Attic		<input type="checkbox"/> None		<input type="checkbox"/> FWA	<input checked="" type="checkbox"/> HW	<input type="checkbox"/> Radiant	<input checked="" type="checkbox"/> Fireplace(s) # 1	<input type="checkbox"/> WoodStove(s) #0	Driveway Surface Asphalt				
<input type="checkbox"/> Drop Stair		<input type="checkbox"/> Stairs		<input type="checkbox"/> Other		Fuel Gas	<input type="checkbox"/> Patio/Deck	None	<input type="checkbox"/> Fence	None	<input type="checkbox"/> Garage	# of Cars	
<input type="checkbox"/> Floor		<input checked="" type="checkbox"/> Scuttle		<input type="checkbox"/> Central Air Conditioning			<input type="checkbox"/> Pool	None	<input checked="" type="checkbox"/> Porch	3	<input type="checkbox"/> Carport	# of Cars	
<input type="checkbox"/> Finished		<input type="checkbox"/> Heated		<input type="checkbox"/> Individual		<input checked="" type="checkbox"/> Other	None	<input type="checkbox"/> Other		None	<input type="checkbox"/> Att.	<input type="checkbox"/> Det.	<input type="checkbox"/> Built-in
# of Appliances	Refrigerator	3	Range/Oven	3	Dishwasher	1	Disposal		Microwave	1	Washer/Dryer	1/1	Other (describe)
Unit # 1 contains:				5	Rooms	2	Bedroom(s)	1	Bath(s)	1,436	Square feet of Gross Living Area		
Unit # 2 contains:				5	Rooms	2	Bedroom(s)	1	Bath(s)	1,325	Square feet of Gross Living Area		
Unit # 3 contains:				3	Rooms	1	Bedroom(s)	1	Bath(s)	876	Square feet of Gross Living Area		
Unit # 4 contains:					Rooms		Bedroom(s)		Bath(s)		Square feet of Gross Living Area		
Additional features													
None Noted													

Comments on the Improvements

The subject was found to be in poor overall condition with major deferred maintenance observed. The current owner has reconfigured the layout of the subject property and it is deemed highly personalized. Although the subject has three kitchens, it does not currently function as a three family. At the time of the inspection, the subject's utilities were on and working. As per the clients request, this report is made "subject to" original three family use, function and layout; interior and exterior in good overall condition, effective age of approximately 20 years, fully functioning mechanicals / systems and no environmental health or safety issues.





# Small Residential Income Property Appraisal Report

FEATURE		SUBJECT			COMPARABLE SALE NO. 1				COMPARABLE SALE NO. 2				COMPARABLE SALE NO. 3			
39 Primrose Avenue Address Mount Vernon, NY 10552					25 E Cedar Street Mount Vernon, NY 10552				229 N Fulton Avenue Mount Vernon, NY 10552				110 Wallace Avenue Mount Vernon, NY 10552			
Proximity to Subject					0.20 miles NE				0.33 miles SE				0.08 miles SE			
Sale Price		\$					\$ 675,000				\$ 651,121				\$ 550,000	
Sale Price/Gross Bldg. Area		\$ 0.00 sq. ft			\$ 185.69 sq. ft				\$ 238.24 sq. ft				\$ 211.54 sq. ft			
Gross Monthly Rent		\$ N/A			\$ N/A				\$ N/A				\$ N/A			
Gross Rent Multiplier		N/A			N/A				N/A				N/A			
Price Per Unit		\$ N/A			\$ 225,000				\$ 217,040				\$ 183,333			
Price Per Room		\$ N/A			\$ 56,250				\$ 59,193				\$ 50,000			
Price Per Bedroom		\$ N/A			\$ 135,000				\$ 130,224				\$ 110,000			
Rent Control		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Data Source(s)		Inspection			HGMLS/Clsd/Broker				HGMLS/Clsd/Broker				HGMLS/Clsd/Broker			
Verification Source(s)		Public Record			HGMLS# 4804442 - DOM: 66				HGMLS# 4806923 - DOM: 24				HGMLS# 4817160 - DOM: 51			
VALUE ADJUSTMENTS		DESCRIPTION			DESCRIPTION		+(-) Adjustment		DESCRIPTION		+(-) Adjustment		DESCRIPTION		+(-) Adjustment	
Sale or Financing																
Concessions					Conventional				Conventional				Conventional			
Date of Sale/Time					06/11/2018		0		05/11/2018		0		08/10/2018		0	
Location		Average			Average				Average				Average			
Leasehold/Fee Simple		Fee Simple			Fee Simple				Fee Simple				Fee Simple			
Site		7328 Sq.Ft.			6864 Sq.Ft.		0		5683 Sq.Ft.		0		5038 Sq.Ft.		0	
View		Average			Average				Average				Average			
Design (Style)		Victorian			Colonial		0		Victorian				Colonial		0	
Quality of Construction		Average			Average				Average				Average			
Actual Age		122+/- Years			104+/- Years		0		122+/- Years				119+/- Years		0	
Condition		Good			SI Superior 5%		-33,750		Good				SI Inferior 5%		27,500	
Gross Building Area 50.00		3637 sq.ft.			3635 sq.ft.		0		2733 sq.ft.		45,000		2600 sq.ft.		52,000	
Unit Breakdown		Total	Bdrms.	Baths	Total	Bdrms.	Baths		Total	Bdrms.	Baths		Total	Bdrms.	Baths	
Unit # 1		5	2	1	5	2	1		5	3	1	0	4	2	1	0
Unit # 2		5	2	1	4	2	1	0	4	2	1	0	4	2	1	0
Unit # 3		3	1	1	3	1	1		2	0	1	0	3	1	1	
Unit # 4																
Basement Description		Full			Full				Full				Full			
Basement Finished Rooms		Unfinished			Unfinished				Finished		-15,000		Unfinished			
Functional Utility		3 Family/Good			3 Family/Good				3 Family/Good				3 Family/Good			
Heating/Cooling		Gas HW/None			Oil Steam/None		0		Oil HW/None				Oil Steam/None		0	
Energy Efficient Items		None Known			None Known				None Known				None Known			
Parking On/Off Site		Driveway			None		10,000		2 Car Garage		-20,000		1 Car Garage		-10,000	
Porch/Patio/Deck		Porch(3)			Similar		0		Similar		0		Similar		0	
MLS Contract Date		N/A			04/12/2018		0		03/27/2018		0		06/11/2018		0	
Net Adjustment (Total)					<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ 23,750		<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 10,000		<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 69,500	
Adjusted Sale Price of Comparables					Net Adj. -3.5 %				Net Adj. 1.5 %				Net Adj. 12.6 %			
					Gross Adj. 6.5 %		\$ 651,250		Gross Adj. 12.3 %		\$ 661,121		Gross Adj. 16.3 %		\$ 619,500	
Adj. Price Per Unit (Adj. SP Comp / # of Comp Units)					\$ 217,083				\$ 220,374				\$ 206,500			
Adj. Price Per Room ((Adj. SP Comp / # of Comp Rooms)					\$ 54,271				\$ 60,102				\$ 56,318			
Adj. Price Per Bdrm. (Adj. SP Comp / # of Comp Bedrooms)					\$ 130,250				\$ 132,224				\$ 123,900			
Summary of Sales Comparison Approach When deemed necessary, comparable(s) requiring adjustments that exceed the suggested guidelines (10% individual, 15% net & 25% gross) have been utilized due to them being the most indicative of the subject market value. The comparables processed in this report were deemed the best available as of the effective date of this report and as adjusted represent a reasonable range of value in developing an opinion of market value for the subject property. The comparable data and sources of information used in this report are considered to be reliable and correct. See Addendum.																

Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as " the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.
4. Neither all, nor any part of the content of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.
5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.
6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.
8. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar expert, unless otherwise noted. The appraiser did not conduct the intensive type of field observations of the kind intended to seek and discover property defects. The viewing of the property and any improvements is for purposes of developing an opinion of the defined value of the property, given the intended use of this assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to: foundation settlement, basement moisture problems, wood destroying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not activated or tested.

This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.

Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order.

Any viewing of the property by the appraiser was limited to readily observable areas. Unless otherwise noted, attics and crawl space areas were not accessed. The appraiser did not move furniture, floor coverings or other items that may restrict the viewing of the property.

9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.
10. Unless the intended use of this appraisal specifically includes issues of property insurance coverage, this appraisal should not be used for such purposes. Reproduction or Replacement cost figures used in the cost approach are for valuation purposes only, given the intended use of the assignment. The Definition of Value used in this assignment is unlikely to be consistent with the definition of Insurable Value for property insurance coverage/use.
11. The ACI General Purpose Appraisal Report (GPAR™) is not intended for use in transactions that require a Fannie Mae 1025/Freddie Mac 72 form, also known as the Small Residential Income Property Appraisal Report (2-4 Family).

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:

Additional Certifications:

Definition of Value: ☒ Market Value ☐ Other Value:

Source of Definition: USPAP

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

ADDRESS OF THE PROPERTY APPRAISED:

39 Primrose Avenue  
Mount Vernon, NY 10552  
EFFECTIVE DATE OF THE APPRAISAL: 10/04/2018  
APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 650,000

APPRAISER

Signature:   
Name: Michael Lang  
State Certification # 45000045694  
or License #  
or Other (describe): State #:  
State: NY  
Expiration Date of Certification or License: 08/21/2019  
Date of Signature and Report: 10/26/2018  
Date of Property Viewing: 10/04/2018  
Degree of property viewing:  
☒ Interior and Exterior ☐ Exterior Only ☐ Did not personally view

SUPERVISORY APPRAISER

Signature:   
Name:   
State Certification #  
or License #  
State:   
Expiration Date of Certification or License:   
Date of Signature:   
Date of Property Viewing:   
Degree of property viewing:  
☐ Interior and Exterior ☐ Exterior Only ☐ Did not personally view

ADDENDUM

Client: Spurs Capital	File No.: 39 Primrose Avenue
Property Address: 39 Primrose Avenue	Case No.: Harris
City: Mount Vernon	State: NY Zip: 10552

Intended User / Intended Use

The Intended User of this appraisal is the client. The intended use is to evaluate the property that is the subject of this appraisal for private valuation purposes, subject to the stated scope of work, purpose of the appraisal, reporting requirements of this appraisal report form, and the definition of market value. No additional intended users are identified by your appraiser.

As per the clients request, this report is made "subject to" original three family use, function and layout; interior and exterior in good overall condition, effective age of approximately 20 years, fully functioning mechanicals / systems and no environmental health or safety issues.

Present Land Use

It should be noted, " Other " land use in the Present Land Use section of the appraisal report reflects area that may be vacant, town/county owned, parks, cemeteries, country clubs, etc...

Neighborhood Description

The indicated neighborhood multi-family housing value range and predominant value reflect the overall prices for all multi-family residences regardless of size, location, amenities, functional utility and condition. These values do not target specific segment of the market. These values assess overall transactions of multi-family residences in the subject area.

Neighborhood Market Conditions

Market conditions within the subject's market segment remain stable and are showing signs of improving. This can be attributed to increased demand due to decreased prices and stable, low mortgage interest rates. When appropriately priced to reflect current market conditions properties are selling within 3 months. However, some properties, when overpriced or distressed, experience a longer marketing time. Sales and financing concessions are not typical or common in the subject market. The direction of the subject market will be better understood within the next 3+ months as the homes on the market which are active or pending sell.

Data Sources

The data sources utilized in this appraisal report for market data may include HGMLS, Tax Assessor Property Cards / Records for the subject and comparable properties, Realist.com, Real Estate Agents / Local Market Participants, Bing.com and Google Maps (Aerial Views), and your appraisers knowledge of the local market, competing markets and the properties which are being offered for sale or have already transferred. It should be noted that the information stated on the comparable HGMLS listing sheets (GLA, Total Room Count, Bedroom Count, Bathroom Count, Acreage, etc...) may differ from the information reflected in the appraisal report. These differences would reflect discrepancies found between what is listed on the HGMLS listing sheet, public data sources and what the appraiser has concluded from the review of the data sources listed above and/or inspection (interior and/or drive-by) of the properties.

Highest and Best Use

The subject is a legally permissible use based on current zoning. Also, the lot size and shape allow the present structure and indicate a good utilization of the improvements. Based on current market conditions, the existing structure as a multi-family residence is its financially feasible and maximally productive use. The highest and best use, as if vacant, would be to construct a similar multi-family residence.

Comments on Sales Comparison

Where the difference in GLA of the subject property and that of the comparable is greater than 300/S.F., an adjustment of \$50/S.F. has been utilized. All adjustments have been rounded to the nearest \$500.

Days on Market for closed sales have been calculated from the contract and or pending date obtained from the local HGMLS for the most recent listing and all consecutive listings of the subject and all comparables when available.

Adjustments have been based off careful review of the comparables HGMLS listing, including interior photos and broker comments, interviews of local market participants and the appraiser's knowledge of the properties processed.

The condition adjustments factored in increments of 5% are meant to account for differences in cosmetic upkeep and level of modernization/renovation throughout the entire home.

The adjustments applied in this report have been derived from a combination of actual and estimated costs, market reaction and interviews of local market participants.

The comparables processed in this appraisal report have been deemed the most recent, relevant and proximate. They have been provided herein and adjusted accordingly.

Due to the lack of more recent similar sales from the subject's market area, it was necessary to process sales with a larger than usual GLA range. The comparables provided are the best available as of the effective date of this report.

ADDENDUM

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Unless adjusted, the location of the subject and the comparables processed are deemed similar and competing.

Your appraiser conducted an extensive search of the subjects market and surrounding competing markets. I considered all relevant sales and listing data, interviewed market participants and surveyed our files. As adjusted, the comparables provided represent a reasonable range for determining the final opinion of value. All adjustments have been applied accordingly. The quality and quantity of the data is considered good and reliable.

Comparables that have closed within the last three to six months have been processed in this report except when comparables which have closed beyond the guideline are deemed most indicative of the subject's market value. Due to the lack of more recent similar sales within the past three to six months, it was necessary to identify and process older sales.

Whenever possible, sales within one mile of the subject property have been utilized. However, many instances arise where the one mile guideline is considered inapplicable and search parameters are extended.

When deemed necessary, comparable(s) requiring adjustments that exceed the suggested guidelines (10% individual, 15% net & 25% gross) have been utilized due to them being the most indicative of the subject market value. The comparables processed in this report were deemed the best available as of the effective date of this report and as adjusted represent a reasonable range of value in developing an opinion of market value for the subject property. The comparable data and sources of information used in this report are considered to be reliable and correct.

Where a highway, freeway or water body exists between the subject and comps the appraiser has determined that it does not create a market division or barrier. Comparable locations would have similar appeal to buyers unless an adjustment has been made for the same.

Final Reconciliation

The subject's market area consists of both owner occupied and investor owned 2 to 4 family homes. All three classic approaches to value were considered in this analysis.

The Cost Approach was considered and not developed, as it is based on less reliable market data with regards to quantifiable market derived depreciation.

The Income Approach was considered and not developed, as it is based on less reliable market data.

The Sales Comparison Approach is deemed to best reflect the actions of buyers and sellers in the subject's marketplace and is based on the most reliable market data.

Greatest weight has been given to Comparable #1 for its low net and gross adjustments, sale date and proximity.

No personal property was included in the valuation of the subject property.

Ending Addendum

The signature(s) contained in this appraisal report are computer generated (Electronic Signatures) and represent personalized evidence of the work performed by the appraiser as well as the responsibility taken by the appraiser for content, analyses, estimates and opinions in this report. These Electronic Signatures have been used in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). Only the appraiser(s) has the ability to add/remove these electronic signatures which are secured by a personal identification code.

USPAP ADDENDUM

Borrower: N/A				
Property Address: 39 Primrose Avenue				
City:	Mount Vernon	County:	Westchester	State: NY
Zip Code:	10552			
Lender: Spurs Capital				

APPRAISAL AND REPORT IDENTIFICATION

This report was prepared under the following USPAP reporting option:

☐ Appraisal Report      A written report prepared under Standards Rule 2-2(a).

☒ Restricted Appraisal Report      A written report prepared under Standards Rule 2-2(b).

Reasonable Exposure Time

My opinion of a reasonable exposure time for the subject property at the market value stated in this report is: under 3 months

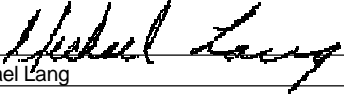
Additional Certifications

☐ I have performed **NO** services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

☒ I **HAVE** performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

2016 Assessment Grievance

Additional Comments

APPRAISER:	SUPERVISORY APPRAISER (only if required):
Signature: 	Signature: _____
Name: Michael Lang	Name: _____
Date Signed: 10/26/2018	Date Signed: _____
State Certification #: 45000045694	State Certification #: _____
or State License #: _____	or State License #: _____
or Other (describe): _____ State #: _____	State: _____
State: NY	Expiration Date of Certification or License: _____
Expiration Date of Certification or License: 08/21/2019	Supervisory Appraiser inspection of Subject Property:
Effective Date of Appraisal: October 4, 2018	<input type="checkbox"/> Did Not <input type="checkbox"/> Exterior-only from street <input type="checkbox"/> Interior and Exterior